THE
MISES REVIEW
A QUARTERLY REVIEW OF BOOKS, BY DAVID GORDON

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The Hayekian Prism

Bruce Caldwell has adopted a sensible strategy to cope with the formidable task he has set himself. Friedrich von Hayek was not only one of the most eminent economists of the twentieth century, whose contributions ranged from capital and business cycle theory to the socialist calculation debate. His work in economics also led him to make major contributions to political philosophy, the theory of knowledge, psychology, and history. How can an intellectual biographer of Hayek cope with this vast range of work? Must his breadth of knowledge rival Hayek's own, if he aims adequately to assess his subject's contributions?

Hayek's Challenge: An Intellectual Biography of F.A. Hayek

BRUCE CALDWELL
University of Chicago Press, 2004
xi + 489 pgs.

Caldwell solves this problem through selection. Rather than attempt to follow Hayek on all his peregrinations, he chooses a few issues for analysis. The reader in search of an account of Hayek's capital theory, e.g., must go elsewhere; but the benefits in careful attention to detail that Caldwell's method allows outweigh its losses.[1]

[1]Caldwell's decision to ignore Hayek's work on capital theory leads him to miss at least one instance of material relevant to the topics he covers. In the *Pure Theory of Capital*, Hayek has a most valuable discussion of how misleading terms can impede economic analysis.

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Caldwell begins with an account of Carl Menger's battle with the German Historical School. As he rightly discerns, a grasp of this controversy is essential to understanding Hayek's work. But one of his remarks surprises me. He states: "Given later developments, it is interesting that both Carl Menger and Ludwig von Mises criticized the historical approach for its inability to produce predictions" (pp. 96–97). Would it not be more accurate to say that Mises believed that the Historical School wrongly sought to substitute historical research for economic theory? Austrians contend that history, taken by itself, cannot generate theory: an Austrian would hardly then criticize the Historical School for failure to achieve an impossible goal.

Our author rightly devotes attention to Max Weber, whose views on methodology were of crucial importance for Mises and his successors, Hayek foremost among them; but I think his presentation of Weber at one point misses the mark. He notes that Weber maintains that the choice of facts a social scientist elects to study depends on the values he brings to the investigation. As Weber puts the matter, "Only a small portion of existing concrete reality is colored by our value-conditioned interest and it alone is important to us. . . . We cannot, however, discover what is meaningful to us by means of a 'presuppositionless' investigation of empirical data. Rather perception of its meaningfulness to us is the presupposition of its becoming an object of investigation" (p. 82, quoting Weber).

From this passage Caldwell draws a radical conclusion: "Even 'pure observation' is always observation from a point of view; there is no such thing as 'facts in themselves.' In modern terminology, what we take to be the facts are themselves 'theory laden' in that they reflect our own prior interests" (p. 82).

This goes altogether too far. Weber says that we select facts that interest us to study. But it does not follow from this that, once one has selected some object of study, the properties of the facts disclosed to us exist only because of the theory that we hold. If someone investigates the claim "all ravens are black," he presumably does so because of his interest in this hypothesis. Nevertheless, the data on black ravens seem entirely neutral: a raven is either black or it isn't, regardless of what theory an investigator may hold. The claim that facts are "theory laden," much promoted by Thomas Kuhn, Norwood Russell Hanson, *et hoc genus omne*, dissolves scientific investigation into a mere subjective clash

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of perspectives.[2] The point is so important that it bears repetition. If you select the facts you study according to your interests, it does not follow that your interests construct the facts, to any degree whatever.

When Caldwell turns to the work of Hayek himself, he continues the pattern so far suggested: he selects an important topic, has much of value to say about it, but fails to get matters quite right.

In earlier studies, Caldwell has been much preoccupied with the a priorism of Mises; so it comes as no surprise, then, that he devotes attention to Hayek's famous article of 1937, "Economics and Knowledge." Hayek later identified a covert theme in this article, his break with Mises over the a priori. Caldwell, a strong opponent of Mises's method, argues that Hayek had even before his article distanced himself from Mises.[3]

Hayek in his article restricted the sphere of a priori knowledge to the actions of single individuals. Interpersonal actions cannot be studied without resort to the empirical, because a person cannot know a priori the choices of others. But where did Mises ever say that one can? Mises's praxeology is confined entirely to the form of human action and what follows from this: it never attempts to deduce the particular choices of individuals. Mises, I suggest, was entirely on target in thinking that Hayek had not broken with him. Hayek's belief to the contrary rested on misunderstanding.

Mises's praxeology is confined entirely to the form of human action and what follows from this: it never attempts to deduce the particular choices of individuals.

Hayek noted with surprise that Mises "took my critique silently and even approved the article as if he had not been aware that it was a criticism of his own views. I cannot explain this" (p. 221, quoting Hayek). Why did Hayek think that Mises denied that "the empirical element enters in people

[2]A supporter of the theory-ladenness of facts can escape subjectivism if he confines theory to the a priori. Mises took this way out in economics.

[3]Caldwell states, "I do not now and never have in the past accepted Ludwig von Mises's a priorism. Indeed, I spent a considerable amount of time during my postdoc year studying Austrian economics at NYU trying to convince a number of Austrians to abandon their commitment to a priorism" (pp. 419–20). He does say, though, that if a priorism were compatible with fallibilism, this would remove one of his main objections.

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learning about what the other people do" (p. 221, quoting Hayek)?

The issue I have raised is of much more than biographical interest, since the nature of a priori reasoning is crucial to economics. To my amazement, Caldwell in one passage suggests that Hayek identifies a priori reasoning with introspection, when Hayek of course stands innocent of this gross fallacy. Hayek states: "We can derive from the knowledge of our own mind in an 'a priori' or 'deductive' or 'analytic' fashion an (at least in principle) exhaustive classification of all the possible forms of intelligible reasoning." Concerning this, Caldwell says that when Hayek "refers to knowledge that is derived 'a priori,'" he seems to mean by the phrase something like "knowledge that is gained by introspection" (both quotations from p. 222).

If Hayek was an epistemologist, a historian, and a political philosopher, he nevertheless always remained an economist.

Not at all! A priori reasoning concerns the logical relations among concepts. By thinking about the concept of choice, e.g., one sees that an actor will always choose his highest valued alternative. By contrast, introspection merely reports a particular person's thought. Relying on introspection, I report that I prefer vanilla ice cream to pistachio, but there is nothing a priori, deductive, or analytic about my assertion. Hayek surely did not mean anything like this. No wonder Caldwell views the a priori with misgiving: How can you gain knowledge about the world if you confine yourself to your private thoughts? Caldwell's view, I hope to have shown, is a confusion.[4]

If Hayek was an epistemologist, a historian, and a political philosopher, he nevertheless always remained an economist; and Caldwell rightly calls attention to one of Hayek's final contributions to economic thought. In his 1981 talk, "The Flow of Goods and Services," Hayek renounced the notion of equilibrium. Equilibrium, Hayek maintained, was not a useful way to understand the market process; instead, Hayek suggested the metaphor, not altogether clear, of a stream. Caldwell sees the crucial point: "he rejected here even his own definition of equilibrium . . . as useful for understanding how the price system continually guides the formation of the capital stock. At a minimum, the paper

[4]I suggest that Quine's influence on Hayek's view of the a priori, a topic Caldwell does not explore, warrants attention. Hayek told me that he regarded Quine as "one of our most stimulating epistemologists."

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suggests that, by the end of his life, Hayek's commitment to equilibrium theory as a metaphor for capturing the essence of the market process had reached its lowest point" (p. 227).

How is one to explain so fundamental a change? Equilibrium had long been at the center of Hayek's thought, a fact that Joseph Salerno has taught us better than anyone else. Now, suddenly, it is abandoned. Caldwell is puzzled. (Incidentally, I cannot think that Caldwell has adequately confronted Salerno's fundamental work on Hayek and equilibrium. See his brief and inadequate remarks at p. 143, n. 14.)

I venture to suggest that had Caldwell devoted more attention to Mises, he might have found the answer to his puzzle.

I venture to suggest that had Caldwell devoted more attention to Mises, he might have found the answer to his puzzle. For Mises, equilibrium, in his terms the evenly rotating economy, is a purely heuristic concept that can never be realized in practice. By no means is the market to be judged by how closely it matches this artificial construct. Is it too speculative to think that Hayek continued throughout his life to study the writings of someone who had influenced him so much in his youth? If so, perhaps Mises's doubts about equilibrium at some point hit home with Hayek. Certainly, Mises kept up with Hayek's work; and in *Human Action*, Mises comments at several places on Hayek's views on economic theory. (See, e.g., Mises's rejection of the Ricardo effect, famously championed by Hayek, *Human Action*, Scholar's Edition, Ludwig von Mises Institute, 1998, pp. 767 ff.) Of course, this does not prove that Hayek read Mises; and my remarks are no more than conjecture.[5]

On one point, I think, we can go further. Caldwell claims that Hayek's theory of the business cycle is "a paradigmatic example of equilibrium theory" (p. 228). If Hayek abandoned equilibrium, how could he continue to maintain, as he did so late as 1978, that the Austrian account of the cycle was in essence valid? Here Mises resolves the supposed difficulty. As he makes clear in *Human Action*, the Austrian account does not at all depend on the initial assumption of equilibrium, i.e., full employment of all factors of production. (See the section "The Role Played by Unemployed Factors of Production in the First Stages of a Boom," pp. 576–78.)

I have so far been rather critical of Caldwell; but he deserves full credit for his ability to explain clearly difficult concepts. To me, the high point of the book is Caldwell's expert journey

[5]Hayek told me in 1969 that he regarded Mises's *Theory and History* as worth careful study.

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through the labyrinthine complexities of the *Sensory Order*. He succinctly explains, e.g., the key assumptions that underlie one of Hayek's major arguments in that work: "One of the most important philosophical consequences of Hayek's psychological studies is the claim that it is impossible for the mind to explain itself. Hayek's argument hinged on the twin ideas that explanation is itself a sort of classification and that the explanation of a given classification system requires a classification system of greater complexity than the one being explained" (p. 344).

Caldwell also deserves praise for realizing that Hayek's views deserve further development: Hayek is no mere past figure whose insights have been absorbed into a supposed neoclassical consensus. But here our praise must decidedly be mixed. Caldwell gives a radically incomplete and distorted account of those who are attempting to continue the Austrian economics that Hayek championed throughout his life.

Although he mentions "signs of considerable vigor" in Austrian macroeconomics, citing in this connection the work of Steve Horwitz, Roger Garrison, Larry White, and George Selgin (pp. 326–27), there is a rather noticeable omission in what he has to say. The name of Murray Rothbard nowhere appears. Even if one does not share my own view that Rothbard is the most important successor of Mises and Hayek, is it not strange that Caldwell devotes not a single word to this eminent Austrian? Hayek did not share Caldwell's evident opinion that Rothbard's work is insignificant. I well remember, in response to my query, his praise for Rothbard's *America's Great Depression*.

It is of course too much to expect Caldwell to acknowledge the contributions of Rothbard's successors, such as Hans-Hermann Hoppe and Joseph Salerno. (The latter is mentioned only in a critical footnote.) Instead, our author lavishes attention on such exotica as the artificial society model Sugarscape, devised by Joshua Epstein and Richard Axtell. In this model, agents who follow simple rules generate various structures. Caldwell finds in this model analogies to Hayek's spontaneous orders and cultural evolution.

Caldwell also deserves praise for realizing that Hayek's views deserve further development.

But our author ignores a crucial point. The patterns produced in this model are computer simulations. They are not deduced praxeologically from facts about individuals' actions. This model counts as an Austrian approach

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only in a most etiolated sense. (Incidentally, Robert Nozick was in his last years much interested in the Sugarscape model.) If Caldwell must go in for this sort of thing, he might also have mentioned the computational economy devised by Eric Baum and Igor Durdanovic, called The Hayek Machine. (For a discussion, see Eric Baum, *What Is Thought?*, MIT Press, 2004, pp. 250–66.)

Caldwell's book is based on wide reading, but I did note a few errors. Bismarck was not "Prussian chancellor" (p. 57). Frederic Benham's joke about "given data" is I think misunderstood. The point is not that the economists who used the expression did not specify to whom the data are given, but rather that, since "data" means "things given," the expression "given data" is redundant (p. 212). Hayek's claim that the ultimate state of science is a self-contained, tautological system is not inconsistent with "evolutionary themes" (p. 275), since temporal predicates can be incorporated into such a system. (Caldwell does not pursue the obvious parallel with Leibniz.) It is unlikely that the remarks on evolutionary adaptation in the *Sensory Order* come from Ludwig von Bertalanffy. He was a strong critic of Darwinism, and I remember Hayek's dismissal in conversation of his anti-evolutionary views (p. 278). Why is Felix Ehrenhaft's amusing complaint about Hayek's incomprehensibility cited to support the view that social scientists found Hayek hard to understand (p. 261)? Ehrenhaft was an experimental physicist. ■ MR

A Wollstonecraft Revival

Mary Wollstonecraft: Diritti umani e Rivoluzione francese

[Mary Wollstonecraft: Human Rights and the French Revolution]

ROBERTA A. MODUGNO
Rubbettino, 2002
256 PGS.

Roberta Modugno's excellent book is a fundamental contribution to our understanding of the history of classical liberalism. She complicates in a remarkable way an argument advanced by Friedrich Hayek. In a famous essay, "Individualism: True and False," Hayek distinguished two traditions of individualist thought. Those whom Hayek termed "true" individualists realized that major social institutions arise, not as the result of conscious planning, but as unintended outcomes of human action. This was no accident: social institutions of necessity come about as the result of spontaneous processes. The vast amount of information, much of which is "tacit knowledge," required to operate social institutions far exceeds the capacity of anyone to hold in mind.

On this view, an important consequence for social reform at once follows.

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If social institutions cannot be constructed through deliberate design, should not all attempts at social reform be gradual? To attempt radical reform is precisely to fall into the constructivist fallacy: social institutions, to reiterate, cannot be planned.[1]

Edmund Burke argued in just this way in his great work of 1790, *Reflections on the Revolution in France*. He contrasted the abstract schemes of the French "sophisters and calculators" with the slow growth of ordered liberty in England. As Modugno rightly notes, Burke's account of the Glorious Revolution of 1688 played a crucial role in his argument. For Burke, support of the 1688 Revolution was entirely consistent with opposition to radical change. Far from being a radical, constructivist project, the overthrow of James II "aimed to safeguard the liberty of the British kingdom, which had been endangered by the absolutist tendencies of the ruling dynasty" (p. 79, translation mine).

Against this sort of individualism, Hayek distinguished a false, Cartesian variety. Descartes subjected all claims to knowledge to radical doubt. Only clear and distinct ideas that withstood rigid scrutiny were to be accepted: tradition and custom, in philosophy, counted for nothing. False individualists applied this notion to political thought. Self-evident principles, and deductions from them, established what was morally right, and all institutions, however sanctified by custom, which failed to meet the requirements of these principles were to be cast aside.[2]

The colorful English feminist Mary Wollstonecraft at first sight is a perfect case of Hayek's false individualism. She rejected the customs of English law: these stemmed, she held, from feudal exactions on the common people. Instead, England should be governed by strict adherence to individuals' rights. These rights, broadly speaking, were of a Lockean sort. As Modugno makes clear, Wollstonecraft by no means opposed private property. Quite the contrary, she championed it; but, as she saw matters, many of the property claims of the nobility rested on violations of true property rights. The English game laws, for example, allowed wealthy hunters to destroy at will the property of small farmers.

Wollstonecraft replied to Burke's *Reflections* in *A Vindication of the Rights*

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[1]I wonder whether this really does follow. Cannot one consistently hold that a social institution must arise through a spontaneous process but, once in being, can be radically modified in a planned way? Perhaps doing so does not require an unacceptably high level of conscious knowledge.

[2]Hayek's analysis was an instance of a popular trend among European philosophers to blame the ills of the modern world on what the Anglican Archbishop of Canterbury William Temple called "the Cartesian *faux pas*." Among distinguished exponents of this line of thought were Martin Heidegger and Karl Jaspers. Ernst Cassirer protested that the anti-Cartesian view was a distortion. In politics, at any rate, Descartes was not a Cartesian in the pejorative sense; he favored a conservative adherence to custom.

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of Men (1792). Like Burke, she supported the Glorious Revolution; but the promise of that revolution had in her view not yet been fulfilled. Human beings possess, according to her "theory of imprescriptible rights" (p. 90), the authority to resist illegitimate government. To her Irish antagonist's stress on the "British constitutional structure as inherited from the past," Wollstonecraft "contraposed abstract human rights, derived from man's essence, the same in all times and places" (p. 91).

Wollstonecraft so far appears a perfect false individualist, in Hayek's sense; but Modugno convincingly shows that matters are not so simple. Wollstonecraft's firsthand knowledge of the French Revolution, acquired during her residence in Paris, turned her into a veritable Hayekian. In *An Historical and Moral View of the Origin and Progress of the French Revolution* (1795), she denounced the revolutionaries, whose cause she had once ardently supported. The French radicals acted like "a race of monsters"; they "made a mockery of justice" (p. 210).

Her change of heart reflected more than an emotionally driven abhorrence of the revolutionaries' atrocities. Anticipating Hayek, she argued that institutions could not be created out of nothing: they must grow through gradual evolution. To destroy existing institutions because they do not conform to a preconceived scheme is to be guilty of "fatal presumption." Modugno notes that Wollstonecraft's phrase, rendered in Italian, is "incredibly," the exact title used for the Italian translation of Hayek's the *Fatal Conceit*, his final assault on the abuse of reason by Cartesian social reformers (p. 215).

If Modugno is right, Wollstonecraft shifted from false to true individualism. No doubt this is an important fact in her biography and for the history of the idea of spontaneous order; but why is this significant for the history of classical liberalism? After all, Wordsworth and many others shifted from initial enthusiasm for the French Revolution to bitter opposition to its excesses: why is one further example of this pattern significant?

The key point of Modugno's contribution, rather, is this. Although

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Wollstonecraft abandoned her belief in immediate radical change, she did not alter her commitment to individual rights. And her new position displayed no obvious inconsistency. In emphasizing this fact about Wollstonecraft, Modugno has complicated Hayek's classification in a most valuable way. One can adhere to a strong view of rights, deduced from human nature, and at the same time reject constructivism. Contrary to what many take to be Hayek's message, supporters of natural rights need not reject spontaneous order and custom.

But a new objection arises. Even if Wollstonecraft's later position is logically consistent, has she not in practice abandoned rights? If radical reform is to be rejected as a "fatal presumption," then in what sense are natural rights a guide to practice? Do they not become, on the gradualist view, mere ideals without effect in the real world?

Wollstonecraft abandoned her belief in immediate radical change, but did not alter her commitment to individual rights.

Modugno contends that for Wollstonecraft, rights were still relevant. But reform should be gradual rather than sudden and far-reaching. Gradual change that aims to adjust social institutions to fit better with natural rights will not upset the order that history has established. Our author finds that Wollstonecraft here anticipates a principal theme in the thought of Karl Popper. Since we lack infallible and comprehensive knowledge of how society works, Popper argued, efforts at social reform should be piecemeal and experimental. New measures, if introduced on a small scale, could be quickly withdrawn if they did not work. "Piecemeal social engineering" in Popper's view could avoid the dangers of Cartesian constructivism (p. 217).[3]

Modugno has thus compelled us to make an important revision of Hayek's dichotomy. She contributes, in addition, to another vital enterprise of historical revision. Recently, a new historical school, centering on the work of J.G.A. Pocock, has challenged the view that seventeenth- and eighteenth-century English radicalism was predominantly individualist in character. Instead, the new school argues, many of the radicals embraced the values of classical republicanism. Rather than appealing to individual rights, the radicals influenced by republicanism followed "an Aristotelian tradition of man as a political animal and regarded participation in political life as valuable for individual fulfillment" (p. 109).

Modugno locates in the more extreme claims of the new historians a

[3]For a criticism of Popper's piecemeal engineering, see Rush Rhees, *Without Answers* (Routledge, 1969).

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fatal flaw. It does not follow from the fact that a radical embraced republican values that he rejected individual rights. Why cannot someone embrace both rights and republicanism? No doubt in some cases, individualist and republican beliefs can conflict. Some, but not all republicans, e.g., supported a military draft; and this is obviously inconsistent with a robust belief in self-ownership. But this is a special case: there seems no general inconsistency between the two sets of values.

Wollstonecraft, our author shows, was both a republican and a radical. Her adherence to natural rights did not at all impede her vigorous defense of civic virtue. Perhaps oddly for a feminist, she praised republics as virile and masculine, contrasting them with effeminate aristocracies (pp. 117–18; Modugno notes that Wollstonecraft by speaking in these terms did not abandon feminism. She merely adopted the prevailing language of her time). Once more Modugno has undermined a dichotomy. Just as Wollstonecraft could be both a defender of rights and a proponent of gradualism, so she could also be both a republican and an individualist.[4]

Modugno's thoughtful analysis leads to a question that Rothbardians need to answer. Rothbard rejected Hayek's claim that reform must be gradual: "true" individualism, for Rothbard, entailed a much more radical posture than Hayek countenanced. Does this mean that Rothbard was a constructivist who abused reason in Cartesian fashion?

I think that Rothbard could accept much of Hayek's argument, while retaining his radicalism. He might plausibly say that the radical changes he favors are those that remove coercive restraints. His libertarianism does not impose a Cartesian plan on society: it instead, through its forthright rejection of coercion, allows individuals to form the spontaneous orders that Hayek has described. ■ MR

[4]Modugno's contention that one can be both an individualist and a republican parallels the argument of Ronald Hamowy that Trenchard and Gordon's *Cato's Letters* is both republican and radically Lockean. See Ronald Hamowy, "Cato's Letters, John Locke, and the Republican Paradigm," *History of Political Thought XI* (1990): 273–94.

Be Very Afraid

An End to Evil: How to Win the War on Terror

DAVID FRUM AND RICHARD PERLE
Random House, 2004
284 pgs.

In the days following the September 11 attacks on the World Trade Center and the Pentagon, many Americans reacted with panic. Were the attacks the beginning of a war that would imperil the lives of millions in our country? It soon transpired that no such outcome was in the offing. The

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terrorists proved unable to follow up their assault; and despite the best efforts of the Bush administration, panic subsided. The authors of *An End to Evil* were not so fortunate as the American public. September 11 in their case aggravated a preexisting condition of severe anxiety. Now, if supporters of Thomas Szasz will excuse me, Messrs. Frum and Perle have entered Cloud Cuckoo land. To combat a few terrorists, they maintain, we must wage war on a good part of the world and strike at one of the world's major religions.

Our authors, fairly early in their own book, undermine the principal justification for the war on terror they are at pains to advocate. As they rightly point out, "Yet the United States may be a tougher target than it looks. . . . The nation entrusts the first responsibility for the safety of each nuclear power plant, each chemical factory, each petroleum refinery, and each natural gas pipeline to those who know that plant, that factory, that refinery, and that pipeline best: its owners and employees. If the terrorists want to try to blow up a nuclear power plant, they must match their wits against people who have devoted their lives to the problem of nuclear safety. Ditto for chemicals, ditto for refineries, ditto for pipelines. In the movies, terrorists are skilled specialists; in real life, most of them are amateurs who do boneheaded things. . . . The terrorists' most important advantage was our complacency, and after 9/11 that advantage was lost for good" (p. 62).

Had our authors contemplated the wisdom of their own paragraph, they would have strangled at birth their monstrous book. Neither the Bush administration nor this pair of bellicose authors has been able to establish the existence of a continuing terrorist danger to the United States. For the reasons just stated, we have an excellent chance to block whatever destruction a few fanatics may have in store for us. Frum and Perle, for all their frenzied efforts, cannot defeat the logic of their own argument to the contrary.

Had our authors contemplated the wisdom of their own paragraph, they would have strangled at birth their monstrous book.

If we do not face a substantial terrorist threat, why engage in a war on terror? Our panicky authors are nothing if not resourceful, and they suggest a three-pronged response to our query. We must, they say, interdict not only terrorism directed against America, but also assaults on other countries, most especially Arab terrorism directed against Israel. Next, we must act decisively against various countries that, to some degree or other, lend aid to terrorist groups. Frum and Perle very

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helpfully offer a list of regimes that must, if possible, be replaced with "democracies" that will obey without question their American masters. We must, finally, realize that fanatical believers in one of the world's major religions aid and abet the terrorists. The version of Islam that these fanatics profess, promoted by Saudi Arabia's immense wealth, poses a dire threat to the United States. We thus ought to undermine the Saudi government, so long as it refuses to embrace the democratic reforms Frum and Perle have in store for it.

The political problems of the Middle East do not directly concern the United States: the nations and peoples of that region must resolve them for themselves.

One of the few facts of Middle East politics that is not controversial is Arab enmity toward Israel. The Palestinians believe that the land of Israel is rightly theirs, and they bitterly resist Israeli policy in the occupied territories. Hamas and Hezbollah, among other groups, have struck at the Israelis through terrorist bombings, and the Israelis have responded in a way that not even Frum and Perle can fault for undue moderation. By contrast with our own situation, terrorism is for Israel a mortal danger.

What should the United States do about this? One answer appeals to the traditional American foreign policy of nonintervention, best encapsulated in Washington's *Farewell Address*. The political problems of the Middle East do not directly concern the United States: the nations and peoples of that region must resolve them for themselves. No doubt our authors would suggest that nonintervention, if applied to the Middle East, would unduly favor Israel's Arab foes; but I do not think this can be sustained. Israel seems well able to look after itself. If the United States were to remain aloof from foreign entanglements that do not directly concern us, why would terrorist groups with regional grievances threaten us?

Frum and Perle think that this question is irrelevant. To them, an act of terrorism against one nation is a threat to everyone. "Worse, the ideology that justifies the terrible crimes of Hamas and Hezbollah is the same ideology that justifies the crimes of al-Qaeda. If it's okay to blow up civilians in a holy war against Israel, it is equally okay to blow them up in a holy war against India, or Russia, or us . . . we won't get very far against the ideology of global jihad as long as we suggest that some terrorist jihads are acceptable forms of 'resistance' while others are not" (p. 125).

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The authors' argument rests on a gross fallacy. They maintain, and I shall not here challenge them, that an influential interpretation of Islam mandates violent action against enemies of that religion. It does not follow from this premise that those who, basing themselves on this doctrine, wage war on Israel, view all other non-Islamic countries as fit targets for terror. Would not the posture of radical Islamists of this stripe toward a nation depend, by the very terms of the doctrine itself, on whether that nation acted against Islamic interests?

To defend the Bush administration's invasion, Frum and Perle evoke without apparent embarrassment the specter of weapons of mass destruction.

Our authors, if I have understood them, deny this. They think that Islam would pose a threat, regardless of our policy in the Middle East, and we shall later on examine what they have to say to support this. Meanwhile, suppose we accept their premise and view all terrorist groups, not only those who attack our country, as enemies. What then follows?

As Frum and Perle see matters, we must overturn all governments that aid terrorist groups. They enthusiastically applaud the recent invasion of Iraq as a perfect example of what needs to be done.

But what is the evidence that the government of Saddam Hussein supported terrorist groups that threatened the United States? Their case is flimsy: the Iraqi foreign minister "offered an extraordinary nondenial denial [sic]" of a meeting between the hijacker Mohammed Atta and an Iraqi intelligence officer in Prague, some months before 9/11 (p. 46). But, they say, so what if there is no evidence linking Saddam to the attacks against us: are not "clues and hints" enough (p. 45)?

The reasoning appears bizarre, but things at once fall into place if one remembers our authors' fundamental premise. For them, terrorism that does not have America in its sights still threatens us; and Saddam undoubtedly aided Palestinian groups hostile to Israel. Hence the imperative need to remove him.

To defend the Bush administration's invasion, Frum and Perle evoke without apparent embarrassment the specter of weapons of mass destruction. They know full well that no such weapons have been discovered, but this does not faze them. Did not Saddam have in mind programs to build such weapons? Why should the mere matter of his failure to possess them affect our decision to dispatch his regime? Critics of the invasion say that the threat

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"wasn't 'imminent'." It was never quite clear how 'imminent' would have been imminent enough to suit these critics. Should we have waited until one month before Saddam got a nuclear bomb or weaponized smallpox? One week? Until the stuff actually rolled out of the lab? Until we knew he was preparing to use it" (p. 34)?

One answer that suggests itself is "until solid evidence indicated he had weapons with which he intended to attack America," but for our authors, this is of course pacifist nonsense. He might have developed such weapons: what more justification for war could any reasonable person want?

The conquest of Iraq is an excellent beginning to the world war against terror, but we must be careful lest bureaucracies in the military and State Department cause our crusade to stumble. A number of other countries require a regime change. Iran is no democracy: voters can select only which Islamic extremist they wish to represent them. What is worse, Iran supports terrorism: "Iran foments Palestinian terrorism against Israel, using terror to undermine every attempt to encourage an Israel-Palestine peace" (p. 105).

Why not then get rid of a government so hostile to our interests? "Above all, Iran's dissidents need . . . us to make clear that we regard Iran's current government as illegitimate and intolerable and that we support the brave souls who are struggling to topple it" (p. 112).

And why stop there? Syria must also replace its government with one more to our liking. But we must be fair: we should first present the present regime with demands for change. Only if the government rejects these should we take action. I venture to suggest that acceptance is unlikely. The requirements include this: "We expect Syria to cease its campaign of incitement against Israel, which only nourishes the culture of suicide bombing" (p. 115). Can Frum and Perle really think that a Syrian government that ceased to be anti-Israel could maintain itself in power? Their list of demands recalls the Sudeten German leader Konrad Henlein's summary of Hitler's instructions for negotiations with the Czech authorities: "We must always demand so much that we can never be satisfied."

The conquest of Iraq is an excellent beginning to the world war against terror, but we must be careful lest bureaucracies cause our crusade to stumble.

Our authors foresee an objection to their plans. They wish to replace various Arab governments. But will not doing so require permanent American military occupation of the countries

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concerned? Frum and Perle oppose "radical Islam." Well and good; but what if the people in the occupied countries favor it?

Their response staggers belief. When the Arab populations see the wonders that democracy has brought a "free" Iraq, they will embrace with ardor the policies that we want. "[W]e have given Iraqis a chance to lead the Arab and Muslim world to democracy and liberty." Fortunately, "Iraq does not have to attain perfection to challenge the region with the power of a better alternative" (p. 168). The Communists, by their own declaration, did not invade Hungary in 1956, or Czechoslovakia in 1968; they "liberated" these countries from evil. Frum and Perle have learned their lessons well.

But I must not give a misleading picture of the book. Frum and Perle have much more in mind than changes in various Arab governments. North Korea, along with Iran and Iraq, is part of the axis of evil. It too gets the treatment: demands almost certain to be rejected followed by military action. If North Korea does not immediately surrender all its nuclear material and close its missile bases, then "decisive action" follows. This "would begin with a comprehensive air and naval blockade" (p. 103). Such action would prepare the way for "a preemptive strike against North Korea's nuclear facilities" (p. 104). If we are fortunate, China will finish the job for us by forcibly replacing the North Korean government.

But China should not be complacent. Frum and Perle have plans for the Chinese as well. France, by the way, has not been behaving in a fashion appropriate to a subservient ally. While military action is not yet on our author's agenda, France must be punished for disobedience. I shall leave the details of these schemes to readers of the book. Their policy can be summarized in the slogan "Shout, and swing a very big stick."

The Communists did not invade Hungary in 1956, or Czechoslovakia in 1968; they "liberated" these countries from evil. Frum and Perle have learned their lessons well.

I have left for last a part of the book's argument. Frum and Perle have a response to my main objection to their plans. I have suggested that if the United States were to follow a policy of neutrality and nonintervention, then terrorism would pose no major threat to us. Our authors counter that this view overlooks the menace of militant Islam. They would dismiss as naïve my earlier claim that unless we strike at

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Islamic interests, militants will not view us as enemies.

Quite the contrary, the Wahhabi Islam sponsored by Saudi Arabia teaches hatred of all who do not embrace that religion. Muslims throughout the world, influenced by this extremist sect, refuse to condemn Osama bin Laden. In the eyes of these fanatic believers, neutrality will not save us; we must convert or face destruction.

Readers will not be surprised by the solution our authors propose. "Warn the Saudis that anything less than their utmost cooperation in the war on terror will have the severest consequences for the Saudi state" (p. 140). It is hardly likely that the Saudis will accede to one of our author's requirements for cooperation, the demand to cease financial aid for Wahhabi missionary activity abroad. The sect, like it or not, gives essential support to the ruling dynasty.

You can guess the rest. If the Saudis decline our terms, then independence for the Eastern Province, where the oil is located, "might be a very good outcome for the United States" (p. 141).

I am no expert in Islamic theology and, in any case, have no wish to defend Wahhabi Islam. But before we take action against the religion of millions of people, ought we not to be cautious? Surely belief in fundamentalist Islam does not always lead to anti-American violence. It has after all not prevented Saudi Arabia from entering into an alliance with us. I suggest that watchful waiting is a wiser course of action than a quixotic attempt to cram neoconservatism down the throats of the world's Muslims.

I close on a positive note. Frum and Perle have identified with great clarity a system of belief that threatens the world. This system requires all governments to conform to the policies of a single power. Those that refuse face violent overthrow. The ensuing military occupation by the dominant power is styled democracy; and, once people grasp its benefits, it is claimed that democracy of this sort will conquer the world. The authors' depiction of this ideology cannot be bettered. It is the ideology they themselves defend. ■ **MR**

The New Jacobins

America the Virtuous: The Crisis of Democracy and the Quest for Empire

CLAES G. RYN
Transaction Publishers, 2003
xiii + 221 pgs.

Claes Ryn's thoughtful book might have been written as a brilliant counter to *An End to Evil*, reviewed elsewhere in this issue. The book exactly diagnoses the cast of mind on display in that blueprint for perpetual war. I should like, though, to approach Professor Ryn's central thesis somewhat obliquely, through an

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application of it that it is of vital concern to all supporters of the free market.

Ryn criticizes intellectuals and others who believe that their possession of truth entitles them to impose their principles, by force if need be, on society. In the view that Ryn opposes, truth consists of certain abstract principles that apply universally. Those in the grip of these principles ignore tradition and the claims of the local. If habitual ways of doing things do not accord with the newly revealed wisdom, they must be changed; and if recalcitrant people prove an obstacle, they must be eliminated.

The chapter "Jacobin Capitalism" raises for us classical liberals a difficult question.

Ryn has in mind especially a particular group of such intellectuals, whom he terms the new Jacobins. He identifies, and subjects to scrutiny, a number of elements in the ideology of this group, and it is one of these that leads me to my oblique approach. This passage in Ryn's account of the new Jacobins startled me: "An important component of what the new Jacobins advocate is what they call 'capitalism' or 'free markets'" (p. 145).

I had previously been reading with admiration, and I confess complacency as well, Ryn's assault on his new Jacobins. The group consists of the neoconservatives I have frequently attacked, and I was enjoying Ryn's mordant attack. But his chapter "Jacobin Capitalism" raises for us classical liberals a difficult question.

According to Ryn, the new Jacobins support (at least to some degree) capitalism and free trade as a way to batter down exiting social institutions. They see that capitalism much more effectively destroys tradition than socialism. "Of those in the West today who are passionate advocates of capitalism and want it introduced all over the world, many are former Marxists. The shift from being a Marxist to becoming a missionary for capitalism may be less drastic than is commonly assumed" (p. 147).

Marx contended that capitalism destroys the Old Regime: everything must give way before the unceasing accumulation of capital. In like fashion, Joseph Schumpeter celebrated the "creative destruction" carried out by the entrepreneur. Because of its revolutionary impact, Marx fully supported the spread of capitalism throughout the world.

Marx of course favored the revolutionary overthrow of capitalism: socialism, not capitalism, was the culmination of history. But here the new

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Jacobins dissent: "A person may advocate capitalism not so much because he utterly rejects Marx's vision of a new society as because he regards the revolution of the proletariat and the socialist organization of production as blind alleys, quite unnecessary for realizing an essentially egalitarian society. . . . A person may endorse capitalism because letting the market do its work is the best way to uproot backward beliefs and related sociopolitical structures" (p. 148).

Are supporters of a complete free market of necessity radical opponents of tradition? Certainly Ryn is right that some libertarians find little of value in maintaining conservative social practices: Mrs. Virginia Postrel, with her dithyrambs to "dynamism" is a case in point.[1] But Postrel and her ilk merely express their own opinions: they do not give voice to some supposed revolutionary essence of capitalism. Ryn gives undue credence to the Marxist historical account.

The heart of the matter, as it seems to me, is this: the free market allows people to enter into any noncoercive relations they wish. It neither requires nor forbids adherence to tradition, but the free transactions in which people engage will obviously be governed by the values they hold. Capitalism is entirely compatible with tradition.

Ryn sometimes comes close to grasping the essential point. Following Wilhelm Röpke, he argues that a capitalist economy imbued with proper social values is highly desirable. "A free market of goods and services may exist in a decentralized, group oriented society . . . in which both supply and demand are structured by corresponding civilized desires. In this economy, relations between competitors may be softened by mutual respect and consideration" (p. 151).

But how are these civilized desires to be achieved? Must the state restrain the free choices of individuals, lest social atomism and unrest result? (To some degree, Röpke would answer yes.) Ryn does not spell out a program of action, but he seems to be inclined to the view that capitalism, unless carefully restrained, is a dangerous force. "If the people who produce and consume cease to exhibit the discipline and responsibility characteristic of a civilized society, the free market, too, even if it continues to produce goods and services, begins to give itself a bad reputation among people who . . . look beyond quantitative standards" (p. 153). But surely such a bad reputation is not deserved. If consumers have bad taste, this is hardly the fault of the only

[1]See my review of her *The Future and Its Enemies*, in *The Mises Review*, Spring 1999.

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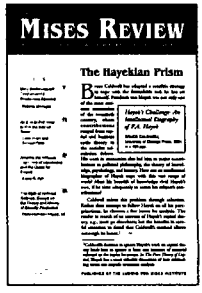
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The Hayekian Prism

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economic system capable of economic calculation.

But I come to praise Ryn, not to quibble with him over his failure fully to embrace laissez-faire capitalism. His attack on neoconservative foreign policy strikes home with great force. Ryn finds a parallel between current supporters of universal democracy on the American plan and the Jacobins of the French Revolution. "The Jacobins saw themselves as virtuous champions of a great moral cause. . . . They were guardians of revolutionary principles. They were ushering in a new way of life, a society of equality and democracy, a glorious goal that permitted no mercy for those who stood in the way" (p. 19).

In like fashion, the new Jacobins, guided by what Ryn aptly calls "the ideology of virtuous empire," demand that all countries embrace democracy. They invent imaginary threats from regimes that do not conform to their ambitions to justify their violent plans.

How might a new Jacobin respond to Ryn's trenchant indictment?[2] He would, I think, respond with a demurrer. It is quite true, we may imagine him saying, that we wish to spread our principles to everyone. But what is wrong with that? Does morality stop at the borders of the United States? If Saddam Hussein and the rulers of Iran cannot see the wisdom of the Gettysburg Address, to the block with them!

Ryn's response takes us to the heart of his case. He rejects the entire notion of universal principles, separated from tradition and local custom. Following Irving Babbitt, he traces this false view to Rousseau. "A vision of a new egalitarian social and political order and of popular rule freed not only from traditional elites but from traditional moral and cultural restraints of all kinds had been formulated with great imaginative power by Jean-Jacques Rousseau" (p. 19).[3]

But I come to praise Ryn, not to quibble with him over his failure fully to embrace laissez-faire capitalism.

[2]In one respect, Ryn is wrong to compare the neoconservatives with the Jacobins. The Girondistes, not the Jacobins, were the great supporters of the forcible spread of revolutionary principles abroad. Ryn recognizes that the old Jacobins "did not, for the most part, think globally" (p. 21), but he still exaggerates their commitment to expansion.

[3]Ryn seems to me much too hard on Thomas Jefferson in claiming that his "thinking overlaps to a considerable extent with that of Rousseau" (p. 46).

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For Ryn, universalism is the enemy. "Traditional Western morality creates a strong presumption that man's primary moral obligation is to deal with problems at close range, starting with self" (p. 56). Applied to foreign affairs, the lesson is clear: "The assumption that much needs improving here before turning attention elsewhere has shaped a corresponding attitude toward international relations: a country's primary duty is to conduct its own affairs and repair its own flaws. . . . A country has no reason to interfere militarily or otherwise with other countries except to protect its own vital interests and defend itself against threats" (p. 57).

Ryn has stated his case against the universal with great force and clarity; but what if one is not entirely convinced?

Ryn has stated his case against the universal with great force and clarity; but what if one is not entirely convinced? I venture to suggest that even those not so enamored as our author with moral particularism have reason to reject new Jacobin foreign policy. One has only to embrace the universal principle that a nation has no right to impose egalitarian democracy on other countries.

In his campaign against the new Jacobins, Ryn handles with careful judgment an issue of great importance. To what extent do the teachings of Leo Strauss support the universalist pretensions of neoconservative foreign policy?

The more I read Strauss, the harder do I find it to discern his true intent. Does he hold that ancient political philosophy is superior to modern, or does he confine himself to the claim that the transition from one to another should be studied? Does Strauss really regard Machiavelli as a "teacher of evil"? Why does Strauss stress so much that philosophy cannot refute the existence of the omnipotent God taught by revealed religion, if he was not himself a believer? With Strauss, I often feel that all remains in mystery.

Ryn strikes exactly the right note. He finds in Strauss's hints and indirection the principal source of his appeal. Strauss played into the hands of those who regard themselves as a philosophical elite entitled to rule the world. "A part of the appeal of Strauss to members of this [neoconservative] network of intellectuals has been his idea that only a few sophisticated minds can really understand and face the truth about politics. To protect themselves against the ignorant and to be able to influence the powers-that-be, the philosophers must, according to Strauss, hide their innermost beliefs and true motives, not least from rulers whom they want to advise. Following Plato's recommendation, the philosophers

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must tell 'noble lies' that are more palatable to others than the truth. . . . Having gained access to the ruler through dissimulation, sycophancy, and general craftiness, they are in a position to whisper in the ruler's ear, making him their instrument" (pp. 32–33).

Elitist philosophers of this stripe need not be committed to the new

Leo Strauss played into the hands of those who regard themselves as a philosophical elite entitled to rule the world.

Jacobinism, and Ryn recognizes that Strauss's teaching "has elements that connect it with traditional Western moral and political beliefs" (p. 32). But he finds an elective affinity between Strauss's elitism and the pretensions to universal rule of the new Jacobins. In the work of Strauss's students this affinity has been further developed. In particular Ryn finds in Allan Bloom, one of Strauss's best-known followers, a key source of new Jacobinism, a conclusion he supports through a detailed account of Bloom's the *Closing of the American Mind.* ■ MR

Security Without a State

The Myth of National Defense: Essays on the Theory and History of Security Production

HANS-HERMANN HOPPE, ED.
Ludwig von Mises Institute, 2003
x + 453 pgs.

The Bush administration's invasion of Iraq provides one further confirmation, if any were needed, of Randolph Bourne's dictum, "war is the health of the state." Faced with so massive an instance of aggression, the question arises: can we do without the state altogether? Would not its elimination end the principal source of destructive violence in the world?

However appealing this line of thought may be, few are willing to go all the way with it. No doubt the depredations of the state are an ever-present menace, but how can we possibly get along without this institution? Would not a stateless libertarian community easily fall prey to the first state that chose to attack it? History shows that no civilized community of substantial size can exist without a state; and arguments from political theory and economics show that the state is a necessity for adequate defense. The

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state may be evil, but it is a necessary evil.

The contributors to the *Myth of National Defense* dissent entirely from the line of thought just sketched. They raise a host of objections to the conventional view, in my view with complete success. The reader of this brilliant volume will see that every claim made for the state in the preceding paragraph is false.

Jeffrey Hummel succinctly presents the argument that history shows the necessity of the state: "If private defense is better than government defense, why has government kept winning over the centuries? Indeed, the State's military prowess has more than seemingly precluded the modern emergence of any anarcho-capitalist society. . . . How can they [radical libertarians such as Rothbard] attribute the origins of government to successful conquest and simultaneously maintain that a completely free society, without government, could prevent such conquest" (pp. 276, 278)?

Both Hummel and the team of Luigi Marco Bassani and Carlo Lottieri endeavor in differing ways to respond to the argument just posed. According to Hummel, the onset of the Agricultural Revolution, beginning around 11,000 B.C., led to massive increases in population. The prosperous and sedentary people who benefited from the revolution were vulnerable to marauding bands that conquered them to gain benefits for themselves. Here, according to the conquest theory, is the origin of the state.

But why did not the large agricultural population rely on superior numbers to expel the invaders? Hummel maintains that even though it was to the advantage of nearly everyone in the subject population to rebel, the costs of resistance to particular individuals was too high. If someone resists the state, he is liable to be killed. Though he would welcome the departure of the invaders, he will not rationally risk his life and possessions to expel them. He will instead hope that some other person or group will resist, in which case he benefits without risk. Since everyone will think in like fashion, there will be no effective resistance.[1] "The free-rider problem, long presented by economists as a normative justification of the State, is in reality a positive explanation for why the State first arose and persisted" (p. 280).

The contributors raise a host of objections to the conventional view, in my view with complete success.

[1]Gordon Tullock gives a well-known version of this argument in the *Social Dilemma* (Center for Study of Public Choice, 1974).

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Hummel has defended a version of the conquest theory of the state; but does not his very explanation render impossible successful resistance to the contemporary state? Will not the free-rider problem once more explain the persistence of the state?

Hummel has an ingenious response. Since the Industrial Revolution, wealth has become much more important than before in military conflict. This gives stateless groups a better chance of success than before, given the undoubted fact that the free market promotes economic growth more efficiently than a state-controlled society.

But what about the free-rider problem? Hummel maintains that this does not totally rule out collective action. It can be overcome if people have a strong enough commitment to the rightness of their cause. Joseph Stromberg puts the matter well: "As for 'free riders,' the American Revolution tells the tale. Had we sorted all that out, we would never have fought. Hummel throws a great Rothbardian 'So What?' at the problem. He notes that, without free-riding, civilization would not exist" (p. 237).

Bassani and Lottieri respond in a different way. They reject the conquest theory of the state, as well as other accounts that postulate for the state a vast antiquity. Quite the contrary, they contend that the state began only when the Middle Ages came to an end. Not until then did people suffer from that baleful development, a centralized authority holding a monopoly of force over a national territory.

Many libertarians have failed to grasp this point, they contend, because they have been too much influenced by Franz Oppenheimer and his followers. These writers contrast the economic means of gaining goods and services, which benefits everyone engaged in it, with the political means, in which some forcibly take goods from others. The contrast is no doubt very useful, but Bassani and Lottieri find in it a source of error. The political means must not be equated with the state. To think otherwise makes every bandit a state. While the state may be a criminal gang, not every criminal gang is a state.

Once we grasp the modern origins of the state, is not our task of resistance to it made easier? No longer need we view the state as a fixed and irremovable presence. If the state did not always exist, may we not hope to remove it?[2]

If history does not require us to accept the necessity of the state, what of political theory? Hobbes argued that without a state, individuals would find themselves in constant conflict. In

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[2]Bassani and Lottieri are kind enough to quote me as an example of someone who adopts the usual, and mistaken, libertarian definition of the state. But I intended to contrast Weber's notion of the state as a monopoly agency of force with van Creveld's view. He sees the state as an independent entity, distinct from the personality of the ruler. I do not think I here committed myself to the view that any use of the political means counts as a state.

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order to avoid the "war of all against all," must not everyone surrender his arms to the sovereign, who will then protect us? Hans Hoppe finds this argument less than convincing. Hobbes maintains that "in order to institute peaceful cooperation among themselves, two individuals, A and B, require a third independent party, S, as ultimate judge and peacemaker. . . . To be sure, S will make peace between A and B, but only so that he himself can rob both of them more profitably. Surely S is better protected, but the more he is protected, the less A and B are protected against attacks by S" (p. 336). Hobbes fails to show that the sovereign improves on the state of nature.

Hoppe's excellent point strikes at the heart of the Hobbesian justification of the state, but the question raised earlier recurs. Even if the state acts as a predator, is it not needed for defense against other states? But why should we accept this contention?

Here we must turn to arguments from economic theory. It is often alleged that national defense is a "public good" that the market cannot supply in adequate quantity. Both Larry Sechrest and Walter Block dissent from this all-too-prevalent orthodoxy. Why should we think that defense is a single good that must be supplied on an equal basis to everyone resident in a nation? "It is neither impossible to exclude nonpayers nor is it true that bringing in an additional person under the safety umbrella costs no additional resources" (p. 323). With his customary imaginative flair, Block offers numerous ingenious examples to support his challenge to the standard view.[3]

If these authors are right, an anarcho-libertarian society could provide for defense in an entirely adequate way. Joseph Stromberg strengthens the case with a vital point. It by no means follows that a free society must match the bloated expenditures of the Leviathan state in order to defend itself effectively. "I assume that minimal states and anarchies can do without nuclear bombs, cruise missiles, stealth bombers, and expensive 'systems' suited to world conquest or universal meddling. As for the 'force structure' of mere defense, I believe we would see

If these authors are right, an anarcho-libertarian society could provide for defense in an entirely adequate way.

[3]Besides his detailed and convincing criticism of the argument that defense is a public good, Block attaches great importance to another consideration. He claims it is logically inconsistent for the state to claim to protect us, since it violates rights itself, e.g., by taxation and prohibition of rival agencies. The point is excellent, but this does not show that it is contradictory to claim that the state protects people from everyone except itself.

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some rough combination of militias and 'insurance companies'—perhaps not as mutually exclusive as we think—with resort to mass-based guerrilla war, however and by whomever organized, *in extremis*" (p. 237).

The argument for libertarian defense rests on two points. First, a libertarian society would have a much less ambitious agenda than states in the contemporary world. Murray Rothbard, with characteristic incisiveness, makes clear the drastically limited circumstances in which war is justified. Specifically, there is no universal mandate to impose a good society all over the world: nations must mind their own business.

This revolutionary book requires us to jettison the assumptions about defense that nearly everyone takes for granted.

An especially dangerous variant of the policy that Rothbard opposed wishes to spread democracy to all and sundry. As Erik von Kuehnelt-Leddihn and Gerard Radnitzky document to the hilt, this is a recipe for disaster. Democracies, swollen with self-righteousness, tend to wage unlimited wars that ignore humane restraints.

Guido Hülsmann carries the argument one step farther. Just as expansion of the state is a mortal sin, even in pursuit of "good" foreign policy goals, so must one shun the use of state power to achieve domestic reform. He contends that eighteenth- and nineteenth-century classical liberalism failed because it resorted to force to impose the goals that its advocates found desirable. "Rather than curbing political power, they [classical liberals] merely shifted and centralized it" (p. 379). Instead, libertarians ought to rely on peaceful secession.

Second, as both Stromberg and Hülsmann emphasize, there is good reason to think that if a libertarian society found itself the victim of invasion, guerrilla warfare would prove a successful response. Stromberg concludes: "We start from the truism that defense has the advantage. . . . And once people are driven to guerrilla tactics defeating them raises the ratio of attackers to defenders to somewhere between 4-to-1 and 6-to-1 or higher. Successful 'pacification' and occupation may require a 10-to-1 superiority" (pp. 235–36).[4]

This revolutionary book requires us to jettison the assumptions about defense that nearly everyone takes for granted. The notion that only the state can provide an adequate defense is but one more statist myth—maybe the most dangerous one of all. ■ **MR**

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[4]Elaine Scarry argues in similar fashion that people, acting spontaneously in response to danger, can be much more effective that governmental defense establishments. See her *Who Defended the Country?* (Beacon Press, 2003).

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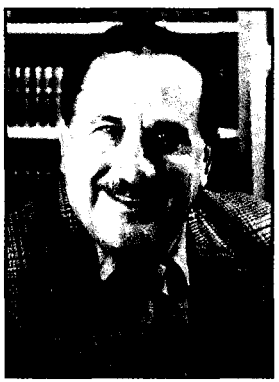

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